IN THE

SUPREME COURT

OF THE

UNITED STATES

OCTOBER TERM, 1976

No. 76-1112

RALPH WILLIAMS' NORTH WEST CHRYSLER PLYMOUTH, INC.; RALPH WILLIAMS, INC.; and RALPH WILLIAMS, *Appellants*,

VS.

STATE OF WASHINGTON, *Appellee*.

APPEAL FROM THE SUPREME COURT OF THE STATE OF WASHINGTON

MOTION TO DISMISS OR TO AFFIRM

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STATE PRINTING PLANT OLYMPIA, WASHINGTON

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Pursuant to Rule 16 of the Rules of the Supreme Court of the United States, appellee moves the Court to dismiss the appeal herein on the grounds that the constitutional questions presented by appellants in this appeal were not raised and reviewed by the State courts, neither in the court of first instance nor in the Supreme Court of the State of Washington, and are therefore not properly before this Court as provided in Rule 15(1)(d). Further, appellee moves the Court to dismiss this appeal or, in the alternative, to affirm the judgment of the Supreme Court of the

State of Washington on the grounds that the questions presented by said appeal are so unsubstantial as to not require further argument.

I.
NATURE OF THE CASE

A. State Statute Involved

This appeal is from decisions of the Supreme Court of the State of Washington upholding the constitutionality of the State's Consumer Protection statute, Ch. 19.86 RCW (hereinafter Consumer Protection Act), and affirming orders holding appellants in contempt in appellee's enforcement action under the statute. RCW 19.86 contains the basic provisions of the State's antitrust and trade regulation law. RCW 19.86.020 prohibits unfair and deceptive trade practices in language which is virtually identical to that contained in § 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1).[1]

The Consumer Protection Act provides that the Attorney General may restrain the performance of unlawful acts and may recover costs including a reasonable attorney's fee (RCW 19.86.080). The court may restore money or property acquired by means of the unlawful conduct to consumers (RCW 19.86.080); and may assess civil penalties of not

[1]RCW 19.86.020 reads: "19.86.020. Unfair competition practices, declared unlawful. Unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful."

15 U.S.C. § 45(a)(1) reads: "Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are declared unlawful."

more than $2000 for each violation of the Act (RCW 19.86.140).

B. Nature of the Case and Judgment

In this action the State of Washington alleged violations of the Consumer Protection Act (RCW 19.86), the Retail Installment Sales Act (RCW 63.14) and the Unfair Motor Vehicles Business Practices Act (RCW 46.70), by appellants herein Ralph Williams, Ralph Williams' North West Chrysler Plymouth, Inc. and Ralph Williams, Inc. (hereinafter collectively referred to as appellants). The State's complaint alleged numerous unfair and deceptive trade practices by appellants, including false, misleading and deceptive advertising as to price, credit terms and warranties; bait and switch; failure to honor warranties; systematically misrepresenting price and credit terms; keeping customer property such as trade-ins as a means of pressuring customers to purchase cars; misrepresenting the necessity for credit life insurance; charging unconscionable prices for cars; and negotiating sales with customers under duress.

After four years of litigation, two appeals[2] and a nine week trial involving testimony by over sixty witnesses and hundreds of exhibits, the State obtained the findings of fact, conclusions of law, judgment and decree and the order concerning restitu-

[2]The first appeal in this case occurred in 1972 after the then trial judge dismissed the State's case on grounds of mootness and unconstitutionality of the statute. The Supreme Court of the State of Washington reversed that decision in 82 Wn. 2d 265, 510 P.2d 233 (1973), and remanded for trial.

tion which are subjects of the present appeal. The trial court found that appellants in the course of their auto sales business in the State of Washington had engaged in virtually all of the unfair and deceptive acts and practices alleged in the complaint.

The court also found that the appellants had flagrantly and intentionally engaged in these acts and practices in order to mislead the public. (See Appendix A hereto, (at p. 16)).

The trial court then proceeded to award the State the relief sought in its complaint, including an adjudication that the acts and practices of the appellants violated the above-mentioned statutes; a decree enjoining appellants from further engaging in such practices; civil penalties assessed against each appellant; attorney's fees assessed jointly and severally; and restitution for the Washington State citizens who were victims of the appellants' unfair and deceptive acts and practices. The restitution portion of the case was to proceed along the lines set forth in a separate order entered the same day as the judgment, December 9, 1974. This order directed appellants to establish an interest-bearing trust account in the amount of $142,000 to be applied toward accomplishing restoration to consumers of monies acquired by appellants as a result of violations of RCW 19.86.020. The order also provided a procedure for ascertaining which consumers would be entitled to restoration and to what extent.

C. Nature of the Ancillary Proceedings

The restitution order gave appellants fifteen days in which to establish the $142,000 trust account. When appellants failed to do so, the State filed a motion to show cause why appellants should not be held in contempt for failure to pay money into the trust account. The State also filed a motion for an order requiring Ralph Williams to appear for an examination as to his assets and the assets of the corporate appellants. Both motions were properly and timely served on appellants' counsel who appeared in open court for a hearing. At the hearing the court issued the orders for a show cause hearing and examination as to assets (Appendices B and C hereto, respectively).

Mr. Williams did not appear for the debtor examination. No showing was made as to why he was not present or as to any reason why the trust accounts had not been established, nor was any request made for a supersedeas. Appellants' sole position was to appear specially and argue that the court lacked jurisdiction because the orders had been served on the attorneys for appellants rather than on appellants personally. The court rejected this argument as to its jurisdiction and gave Williams another opportunity to appear. This appearance was never made and after several additional hearings the court ultimately found appellants in contempt and imposed sanctions.

At no time was the trust account requirement

of the restitution order complied with or superseded. Appellants' characterization of the contempt as being imposed because of failure to pay a judgment is inaccurate. Appellants were found in contempt for refusing to obey the orders of the trial court. In the words of Chief Justice Stafford of the Washington State Supreme Court in his opinion concurring in one of the decisions from which this appeal is taken:

> Whether considered singularly or collectively, this consolidated appeal and the contempt action filed in today's accompanying opinion, [citation omitted] represent the most flagrant disregard and contemptuous disobedience of a trial court's orders that I have witnessed. * * *
> * * * They [appellants] have wilfully refused to comply with orders pertaining to ancillary proceedings, restitution and the establishment of a trust account to protect citizens of this state who were victims of appellants' unfair and deceptive acts and practices.
>
> Appellants have made no attempt to explain their failure to comply with the court's orders. They have secreted and manipulated assets to keep them out of the jurisdiction of the courts of this state. Further, they have flaunted the directions of the trial court by refusing to participate in ordered discovery proceedings and to produce documents needed to discover assets. In contrast, the trial court has given appellants additional time to comply with its orders and to purge themselves of contempt. Appellants' response to these periods of grace has been only contemptuous refusal to comply. * * *
> *State v. Ralph Williams*, 87 Wn. 2d 298, 325-326, 553 P.2d 423 (1976).

II.

ARGUMENT

A. The Questions Presented by Appellants Pertaining to the Constitutionality of the Consumer Protection Act are Not Properly Raised.

Rule 15 (1) (d) provides that:

> If the appeal is from a state court, the statement of the case shall also specify the stage in the proceedings in the court of first instance, and in the appellate court, at which, and the manner in which, the federal questions sought to be reviewed were raised; the method of raising them (e.g., by a pleading, by request to charge and exceptions, by assignment of error); and the way in which they were passed upon by the court; with such pertinent quotations of specific portions of the record, or summary thereof, with specific reference to the places in the record where the matter appears (e.g., ruling on exception, portion of the court's charge and exception thereto, assignment of error) as will support the assertion that the rulings of the court were of a nature to bring the case within the statutory provision believed to confer jurisdiction on this court.

Appellants have failed to comply with this rule. Furthermore, they are unable to do so because the questions were not raised before either the trial court or State Supreme Court. Appellants now argue that the Consumer Protection Act violates their rights to free speech and to trial by jury, and that it imposes cruel and unusual punishment. None of these questions were *ever* raised below. Indeed, since appellants agreed to a non-jury trial and consequently never

requested a trial by jury, that particular question could never be at issue.

As to appellants' question as to whether the Consumer Protection Act unconstitutionally deprives appellants of due process, that question was ruled upon by the Supreme Court of the State of Washington in 1973 in the decision rendered on the appeal brought by the State from a trial court order dismissing the State's action.[3] The Supreme Court reversed the trial court, held the statute constitutional, and remanded for trial. The trial took place and was the basis for the appellant's appeal to the Supreme Court of the State of Washington from which decision this appeal is taken. The 1973 decision is *not* included in appellants' Notice of Appeal, and accordingly the issues raised therein are not before this court.

B. **Even if the State Supreme Court Decision in the Earlier Appeal Were Before this Court, the Question Presented is Not a Substantial One Because RCW 19.86.020 Does Not Deny Appellants Due Process.**

The provisions of RCW 19.86.020 which appellants challenge for vagueness are virtually identical to § 5 of the Federal Trade Commission Act (15 U.S.C. § 45 [a] [1]) and are part of a statute designed to prohibit unfair business practices.

The Washington Supreme Court has held:

> The language of the amended federal act, from which RCW 19.86.020 is taken, has been with us since 1938. The federal courts have amassed an abundance of law giving shape and

[3] *State v. Ralph Williams' Northwest Chrysler Plymouth*, 82 Wn. 2d 265, 510 P.2d 233 (1973).

> definition to the words and phrases challenged by respondent. Now, more than 30 years after the Supreme Court said that the phrase "unfair methods of competition" does not admit to "precise definition," we can say that phrase, and the amended language has a meaning well settled in federal trade regulation law. RCW 19.86.920 directs us to be guided by the federal law. Thus, in interpreting the language of RCW 19.86.020 we must hold that the phrases "unfair methods of competition" and "unfair or deceptive acts or practices" have a sufficiently well established meaning in common law and federal trade law, by which we are guided, to meet any constitutional challenge of vagueness.

State v. Reader's Digest Association, 81 Wn. 2d 259, 274-275, 501 P.2d 290 (1972); *State v. Ralph Williams' North West Chrysler Plymouth, Inc.*, 82 Wn. 2d 265, 510 P.2d 233 (1973).

Appellants argue that the Consumer Protection Act is penal in nature due to the imposition of penalties.

The general rule is that the legislature has wide discretion in the choice of remedy to use to promote compliance with the law, including provisions for civil penalties recoverable in a *civil* proceeding, and such penalties do not convert the proceedings to a criminal or penal one. *Helvering v. Mitchell*, 303 U.S. 391 (1938); *Electric Bond & Share Co. v. Securities & Exchange Commission*, 303 U.S. 419, 442-43 (1938); *Olshausen v. Commissioner of Internal Revenue*, 273 F.2d 23 (9th Cir. 1960), *cert. denied*, 363 U.S. 820 (1960).

This rule has been applied to state consumer

protection proceedings in which statutory penalties were imposed. *Kugler v. Romain*, 110 N.J. Super. 470, 266 A.2d 144, 153 (1970), *aff'd as modified*, 58 N.J. 522, 279 A.2d 640 (1971); *Madonna v. State*, 151 Cal. App. 2d 836, 312 P.2d 257 (1957). Thus, the provision by the Washington legislature for civil penalties does not make RCW 19.86 penal.

Even in the area of penal statutes, the courts have traditionally been willing to recognize the need for flexibility in statutes so as to allow the law of trade regulation to keep pace with the ever-changing activities in the marketplace. See *Standard Oil v. United States*, 221 U.S. 1 (1911), in which the Court upheld the general language of the Sherman Act against a charge of vagueness. Modern social legislation such as RCW 19.86, designed to regulate businesses for public protection, is generally regarded as remedial in nature and given a liberal construction. See *United States v. An Article of Drug*, 394 U.S. 784 (1969).

In other trade regulation cases, language similar to that involved in the case at bar has consistently been upheld against attack on grounds of vagueness. See *U.S. v. National Dairy Products Corp.*, 372 U.S. 29, 32-33, 35-36 (1963); *Atlas Building Prod. Co. v. Diamond Block & Gravel Co.*, 269 F.2d 950 (10th Cir. 1959).

All of these cases cited involve statutes whose general language was upheld as not vague even where criminal indictments were possible. *A fortiori*, the statute involved in this case, involving only civil penalties, is also constitutional.

Further, unlike First Amendment cases, we are not concerned simply with the vagueness of the statute "on its face"; rather, the statutory language must be tested in light of the conduct with which the defendant is charged. *United States v. National Dairy Products Corp., supra* (1963). The issue is whether the accused violator could reasonably anticipate that his conduct is within the statute's prohibition. *Nash v. United States*, 229 U.S. 373 (1913); *Boyce Motor Lines v. United States*, 342 U.S. 337 (1952).

In this case the Findings of Fact entered by the trial court make clear that the appellants' activities were not borderline or technical but were "flagrant and intentional" and part of an overall scheme designed to deceive the public. (See App. A hereto.) The practices engaged in were classic examples of consumer fraud that have been deemed illegal for years. Having been found to have engaged in practices intentionally designed to deceive the public, appellants can hardly claim that they could not reasonably anticipate that their conduct was within the prohibition of RCW 19.86.020.[4]

[4]Appellants also contend that procedural differences between the FTC Act and the Consumer Protection Act render the Washington statute unconstitutional. Under the FTC Act the initial determination as to whether or not a violation has occurred is made by the Commission. Defendants in FTC cases are not afforded a full judicial hearing before a cease-and-desist order issues. Therefore, under the present FTC statutory plan penalties will only attach upon a violation of a cease-and-desist order under the federal law.

However, in Washington, as in other states, there is no commission. The initial determination is only made after a defendant has had his day in court and complete trial on the merits. On this basis the Washington Supreme Court rejected appellants' procedural challenge in the 1973 appeal. *State v. Ralph Williams' North West Chrysler Plymouth*, 82 Wn. 2nd 265, 279, 510 P.2d 233. And as indicated above, appellants have not appealed from that decision.

C. **Appellants' Questions Concerning The Contempt Orders Are Not Substantial Constitutional Questions.**

In addition to challenging the validity of the Consumer Protection Act and the judgment and orders entered thereunder against them, appellants' Jurisdictional Statement also makes brief references to the orders of the trial court finding appellants in contempt and imposing sanctions for their contempt. Though it is difficult to tell what constitutional arguments appellants are attempting to make in regard to the contempt orders, it is clear that there is no substantial federal question concerning these orders.

A number of appellants' assertions regarding the contempt orders rest on their repeated misstatement that they were found in contempt for failing to pay a money judgment. Such was not the case. Rather, they were held in contempt because:

1) They failed to comply with the trial court's lawful order that they establish a trust account which would ultimately be used to restore monies illegally gotten from consumers; and

2) They failed to comply with the trial court's lawful order requiring them to appear and testify as to whether they possessed sufficient assets to establish the trust account.

Thus, there is no question of imprisonment for debt in these proceedings. No one has been confined, but were they to be, the reason would be continued refusal to comply with valid judicial orders, and not

failure to pay a judgment. Appellants argue that the orders are invalid for lack of determination as to whether the appellants could comply. Appellants not only refused to come forward and testify as to their ability to comply, but they have never asserted to this Court or to the Washington courts that they are unable to comply. In addition, at no time have they sought to supersede the restitution order pending appeal.

Appellants' claim that the trial court exceeded its powers and placed itself beyond the legislature is equally spurious. As the Washington Supreme Court carefully explained in its opinion affirming the contempt orders, Washington courts, like all courts, have inherent power to enforce their orders in addition to those contempt powers granted by statute. *State v. Ralph Williams*, 87 Wn. 2d 327, 553 P.2d 442 (1976) (Appendix B to the appellants' Jurisdictional Statement). As a separate branch of government, the judiciary is not wholly dependent upon the legislature for authority to command respect for its rulings. And, of course, any question as to the trial court's power is one of state law, not federal law.

Appellants further contend that the contempt orders are invalid under the fourteenth amendment for lack of personal service. They argued to the Washington Supreme Court that the contempt orders violated their due process rights because the order to show cause why they should not be held in con-

tempt and the order to appear for supplemental proceedings were served upon their counsel, rather than upon themselves. They contended that personal service upon them was necessary to give the trial court jurisdiction over them in the show cause and supplemental proceedings. The Washington Supreme Court held that the trial court had continuing jurisdiction over appellants in these ancillary proceedings by virtue of the original service upon them of the summons and complaint. *State v. Ralph Williams, supra.*

This same rule was set forth by this Court in *Leman v. Krentler-Arnold Hinge Cast Co.*, 284 U.S. 448 (1932). In *Leman* a party (the respondent) had been ordered to show cause why he should not be held in contempt for violating an injunction previously entered against him in the litigation. He challenged the court's jurisdiction on the grounds that the show cause order had not been personally served upon him, but rather had been served on his attorney. Rejecting the jurisdictional attack on the contempt order which had been issued, this Court observed:

> Proceedings for civil contempt are between the original parties and are instituted and tried as part of the main cause. * * *
> The respondent was already subject to the jurisdiction of the court for the purposes of all proceedings that were part of the equity suit and could not escape it. * * * 284 U.S. at 464.

In its decision on the contempt orders, the Washington Supreme Court further held that what due process required was notice reasonably calculated to apprise appellants of the pending proceedings affecting their rights and an opportunity to present their objections before a competent tribunal. Since appellants received actual notice of the contempt proceedings, and appeared at every stage and made their arguments, the court concluded that appellants' due process rights were fully satisfied. This ruling is unassailable under the due process principles laid down by this Court. *Mullane v. Central Hanover Bank and Trust Co.*, 339 U.S. 306 (1950); *Leman v. Krentler-Arnold Hinge Cast Co., supra.*

III.

CONCLUSION

Most of appellants' questions are not properly before this Court. Those that are, are not substantial federal questions. Therefore, this appeal should be dismissed or in the alternative affirmed without further argument.

Respectfully submitted,

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APPENDIX A.

FINDINGS OF FACT, CONCLUSIONS OF LAW, JUDGMENT AND DECREE ISSUED BY KING COUNTY SUPERIOR COURT

In the Superior Court of the State of Washington for King County.

State of Washington, Plaintiff, vs. Ralph Williams' North West Chrysler Plymouth, Inc.; Ralph Williams, Inc.; Ralph Williams as President of Ralph Williams' North West Chrysler Plymouth, Inc., as President of Ralph Williams, Inc., and individually, Defendants. No. 729320.

FINDINGS OF FACT, CONCLUSIONS OF LAW, JUDGMENT AND DECREE

THIS MATTER having come on for trial on the 10th day of September, 1974, before the undersigned Judge of the above-entitled court; plaintiff having appeared by and through its attorneys, Slade Gorton, Attorney General, and Thomas L. Boeder and Barbara J. Rothstein, Assistant Attorneys General; and the defendants having appeared through their attorneys James C. Young and Ronald Hartman; and the Court having rendered its oral decision on the 7th day of November, 1974;

Now therefore, the Court, after due deliberation and being fully advised in the premises, hereby makes Findings of Fact and Conclusions of Law as follows:

I.

FINDINGS OF FACT

A. **General**

1. The following abbreviations will be used herein:

RWNWCP means Ralph Williams' North West Chrysler Plymouth, Inc., also known for a time as North West Chrysler Plymouth, Inc.;

RWI means Ralph Williams, Inc.

2. Unless otherwise indicated in the text, the time period referred to herein is the period from May, 1968, through December, 1970.

3. Defendant Ralph Williams is an individual residing in Beverly Hills, California, who was President, Director and 100% shareholder of RWNWCP, and various other car dealerships, to wit: Ralph Williams' Bayshore Chrysler Plymouth in San Francisco, California; Ralph Williams' Gulfgate Chrysler Plymouth in Houston, Texas; Ralph's Chrysler Plymouth in Downey, California; and Ralph Williams' Ford in Encino, California.

4. Defendant RWNWCP is a corporation organized under the laws of the State of Washington which had its principal place of business at 13733 Aurora Avenue North in Seattle, Washington.

5. Defendant RWI is a corporation organized under the laws of the State of California which had its principal place of business at 15720 Ventura

Boulevard, Encino, California, and which was registered to do business in the State of Washington as Jaranka Management Corporation and later as Ralph Williams Management Corporation. Ralph Williams was President, a Director and 100% shareholder of RWI.

6. Ralph Williams controlled, directed and formulated the policies of RWI and RWNWCP.

7. RWI acted as a management corporation for Ralph Williams' car dealerships.

8. Banner Insurance Agency, a division of RWI, was the agent for all insurance sold at Ralph Williams' dealerships.

9. All credit insurance sold to customers of Ralph Williams' dealerships was reinsured with insurance companies controlled by Ralph Williams.

10. All Ralph Williams' dealerships were under management contracts with RWI which ran the entire organization of Ralph Williams' dealerships as a single financial entity.

11. During the period from May, 1968, through December, 1970, defendants were engaged in the business of selling new and used cars and, in conjunction therewith, insurance, to the general public in the State of Washington.

12. Defendants Ralph Williams, RWI and RWNWCP individually controlled, directed, participated in, formulated the policies relating to, had knowledge of, and benefited from the acts and practices described in paragraphs 14 through 57.

13. The acts and practices described in paragraphs 59 through 75 were engaged in by employees and representatives of RWNWCP as agents of the dealership. Since the entire organization of corporations purportedly run under a management contract with RWI was in fact run as a single financial entity, RWI and RWNWCP must each be responsible for these acts and practices.

14. Defendants in the regular course of their business advertised extensively in local newspapers and on local television stations in order to attract consumers to RWNWCP.

[Paragraph 15 was stricken by Judge Soukup.]

16. Plaintiff has established by overwhelming evidence a pattern of unfair and deceptive acts and practices by all defendants, which evidence has been largely unmet by any defendant.

17. Defendants did not cease the acts and practices alleged to be unlawful by plaintiff after the filing of plaintiff's Complaint herein.

18. There was no voluntary cessation by defendants of the conduct described in these Findings.

19. Without the issuance of an injunction, defendants could not be prevented from re-entering the state and resuming the acts and practices described in these Findings.

B. **Discount Dealer Advertising—First Cause of Action**

20. Defendants' advertising represented, directly and by implication, that defendants customarily sold

cars at discount, at low prices, and at prices lower than those of competing dealers.

21. These representations included such statements as "Yes, volume selling does mean more for your car purchasing dollar", "Ralph offers the lowest prices, the easiest terms, and the fastest credit", "Ralph Williams is #1 because of our low, low prices, easy credit, easy terms * * *", "Ralph offers more benefits to the car buyer", "Supermarket selling! — Why pay more?", "Volume buying means volume savings."

22. These representations were presented as statements of fact in support of which defendants offered as proof specific cars advertised at unusually low prices with the express or implied representation that such prices were representative and illustrative of defendants' usual prices and range of prices. Such representations included by way of example and not limitation: "You will find cars priced like this * * *", "Each and every car reduced * * *", "For example * * *", "Proof positive."

23. In fact defendants did not sell cars at discount or for less than competing dealers but rather sold cars at substantially higher prices than were generally available elsewhere.

24. The prices at which defendants advertised specific cars were not representative and illustrative of defendants' usual prices or range of prices. The prices of defendants' non-advertised cars were substantially in excess of prices at which other dealers in the Seattle area sold comparable cars.

25. Defendants' advertising that RWNWCP sold cars for low prices, or at discount, or lower than competing dealers was deceptive, misleading and patently false.

26. Defendants' advertising constituted a concerted effort to, and was specifically and intentionally designed to, mislead the public into believing they could purchase cars for less at the dealership when in fact prices on the cars were substantially in excess of prices of the advertised cars and at which other dealers in the Seattle area were selling cars.

27. The following advertisements by defendants on or after 14 May 1970 are specific examples of false, misleading, and deceptive "discount dealer" advertising as described above in paragraphs 20-26:

a. *Newspaper Ads.* Exhibits 1.110-1.123, 1.132-1.135, 1.143, 1.144, and 1.146-1.151;

b. *Television Tapes.* Exhibit 4, Numbers 48-51, 56-58, 61-65, 67, 68, 73-75, 77, 80-84, 86, 87, 89, and 92-99.

These violations were flagrant and intentional.

C. **Bait Advertising—Second Cause of Action**

28. Defendants advertised, both in newspapers and on television, particular cars at attractive prices and on attractive credit terms.

29. Many of the advertised cars had conditions such as body damage, extensive wear, high mileage, or mechanical defects which were not disclosed or discernible in the advertising.

30. On numerous occasions the advertised cars were disparaged to consumers in order to discourage purchase of the advertised cars.

31. On numerous occasions the cars continued to be advertised after they had been sold or after consumers were told that they had been sold.

32. Defendant Williams' personnel established policies that made it necessary for cars advertised for sale at RWNWCP to be handled as bait advertising, despite several self-serving memos distributed from time to time to the contrary.

33. These advertisements were not *bona fide* and sincere offers to sell the advertised cars but were designed to lure, and did in fact have the effect of luring consumers into coming to RWNWCP where they could be, and in fact were, switched to the purchase of non-advertised cars at prices and on terms that were more advantageous to defendants.

34. This practice of bait and switch or leader advertising, as described above in paragraphs 28-33, was misleading, deceptive and unfair.

35. Specific examples of this practice on or after 14 May 1970 are found in the transactions of the following consumer witnesses: Glander, Engstrom, Alexander, Maine, Amdal, Smithey, Knerr, Zurn, Shaw, Schutt, Teton, Elder, and Briggs. Defendants' conduct in these instances was flagrant and intentional.

D. **Easy Credit Advertising—Fourth Cause of Action**

36. Defendants' newspaper and television advertising represented, directly and by implication, that cars were customarily sold to consumers on easier credit terms at RWNWCP than at other dealerships.

37. These representations included such statements as: "Ralph offers the lowest prices, the easiest terms, and the fastest credit"; "No side loans, no pick-ups, no balloons * * * one monthly payment"; "Only Ralph can give you the easy terms you need and still save you money".

38. These representations also included the presentation of specific cars for specific, very low, down and monthly payments.

39. Defendants' credit advertising as described above constituted a concerted effort to, and were specifically and intentionally designed to, mislead consumers to believe that cars could be purchased at RWNWCP on credit terms similar to those advertised and on terms more favorable than those available at other dealerships. In fact, the non-advertised cars were not available on, and could not be financed on, the advertised terms or on comparable terms; and most of the advertised cars were sold not on credit but for cash.

40. The credit terms advertised by defendants were not representative of the credit terms available at RWNWCP, but rather defendants' credit terms were substantially higher or more expensive to consumers than those advertised and than those of other dealers.

41. Defendants' credit advertising as described

above in paragraphs 36-40 was misleading, deceptive and patently false.

42. The following advertisements by defendants, on or after 14 May 1970, are specific examples of false, misleading and deceptive credit advertising as described above in paragraphs 36-40:

a. *Newspaper Ads.* Exhibits 1.110-1.121, 1.124-1.127, and 1.141;

b. *Television Tapes.* Exhibit 4, Numbers 50, 51, 55-58, 61-64, 67, 68, 73-75, 77, 80, 82-84, 86-98. Defendants' conduct in these instances was flagrant and intentional.

E. Warranty Advertising—Seventh Cause of Action

43. Defendants' newspaper and television advertising represented, directly and by implication, that various warranties were available on cars purchased at RWNWCP. For example, these representations included statements that defendants would provide a "12 by 12 warranty", that is, "12 month warranty at 10% over cost on all parts and labor or 12,000 miles, whichever occurs first."

44. This advertising further represented that defendants substantially reconditioned used cars, and that if cars purchased at RWNWCP had problems they would be repaired by defendants in their "huge factory-type reconditioning plant" or language to that effect. Defendants' warranty advertising constituted a concerted campaign specifically designed and intended to convey the impression that

these representations were true when in fact they were false.

45. The "12 x 12 warranty" was a fraudulent device used by the defendants since the service guaranteed under the warranty was not generally available in any meaningful manner to consumers, and since on occasions when it was made available, it was made available at prices equal to or higher than the same service could have been obtained at any other reliable dealership elsewhere without any warranty whatsoever.

46. There was no huge factory-type reconditioning plant or any reconditioning type plant of any form whatsoever at RWNWCP. Defendants' service department was totally inadequate to service even a portion of the new cars sold by RWNWCP.

47. Defendants' warranty advertising as described above in paragraphs 43-46 was misleading, deceptive and patently false.

48. The following advertisements by defendants, on or after 14 May 1970, are specific examples of false, misleading and deceptive warranty advertising as described above in paragraphs 43-46:

a. *Newspaper Ads.* Exhibits 1.112, 1.113;

b. *Television Tapes.* Exhibit 4, Numbers 49, 58, and 61.

Defendants' conduct with regard to these advertisements was flagrant and intentional.

F. Repossessions—Eleventh Cause of Action

49. Defendants on numerous occasions sold cars returned to RWNWCP by Seattle-First National

Bank and Chrysler Credit Corp. pursuant to a repurchase or recourse agreement between RWNWCP and each of these institutions, which cars had been repossessed from consumers who purchased the cars from RWNWCP pursuant to retail installment contracts.

50. Defendants, on numerous occasions, more specifically set forth in Plaintiff's Exhibit 278, sold said cars at a profit represented by the sales price being greater than the amounts due and owing on said contracts plus allowable costs.

51. Defendants did not account to consumers for, or pay consumers the amount of, the profit received by defendants on such repossession sales.

52. It was defendants' policy not to account to consumers for, or pay consumers the amount of, profit received by defendants on such repossession sales.

53. On 46 occasions, on or after 14 May 1970, as specifically detailed in Plaintiff's Exhibit 278, defendants received a profit on such repossession sales and failed to account to these consumers for, or to pay them the amount of, the profit in each instance.

54. Consumers who came to RWNWCP were subjected by representatives of the dealership to various misrepresentations as to the prices and terms at which cars would be sold by RWNWCP.

55. These misrepresentations included the following:

a. Quoting a car price to consumers when in fact the car would be sold for a higher price;

b. Refusing to reveal car prices but instead referring only to monthly payments;

c. Representing to consumers that they would be making specific down and monthly payments when in fact the cars in question would be sold for substantially higher down and monthly payments.

d. Failing to disclose, prior to or at the time of closing sales, that purchasers would be obligated to make additional monthly payments to small loan companies on side loans arranged by defendants to finance purchasers' downpayments;

e. Failing to disclose, on price stickers affixed to windows of new cars, the amount of any dealer preparation charge or to disclose that the total price stated on these stickers did not include a dealer preparation charge, and subsequently charging consumers for dealer preparation;

f. Representing that a vehicle price would be reduced by a given figure for a trade-in allowance on the purchaser's vehicle, which figure was in excess of the amount which the dealership would actually contract to give as a trade-in allowance.

56. Defendants charged substantial amounts for dealer new car preparation for which the service performed was negligible or not performed at all.

57. The effectiveness of defendants' price misrepresentations as described above, was facilitated

and increased by defendants' general pattern of attempts to overwhelm potential customers and impose upon them in many cases fraudulent and unfair transactions. The following acts and practices are aspects of this general pattern:

a. Defendants' system of selling was designed to expose each customer to a series of at least three salesmen over an extended period of time which experience necessarily resulted on numerous occasions in fatiguing, confusing, misleading, and deceiving consumers as to the price and terms of car purchases and other basic information involved in their transactions.

b. It was defendants' policy not to make contracts available to consumers for inspection but simply to hand contracts to consumers for signature in such a manner as to actually discourage reading of the contract; which policy resulted in there being no meaningful opportunity for consumers to understand their contracts.

c. It was defendants' policy to tape record a final closing of consumer transactions, which tapings were completely controlled by defendants in this case; were intended to be self-serving, primarily to discourage consumer complaints; and were not intended to, and in fact do not, fairly represent the actual transactions or incidents leading up to the transactions.

58. The acts and practices of defendants in misrepresenting prices to consumers as described in

paragraphs 54-57, are unfair, deceptive and misleading.

59. The following are specific consumer witnesses whose transactions on or after 14 May 1970, involved price misrepresentations: Aquiningoc, Knerr, Bielke, Briggs, Smith, Teton, Liden, Maine, and Amdal.

H. **Trade-Ins—Fifth Cause of Action**

60. RWNWCP salesmen, in the regular course of sales transactions at the dealership as specified in finding 63 obtained property from consumers in the form of trade-in cars, and/or powers of attorney and/or cash or checks, prior to or shortly after entering into negotiations with the consumer for purchase of cars.

61. On occasions when consumers decided not to buy cars from RWNWCP, representatives of the dealership refused to return the consumers' property in order to bring additional pressure to bear on consumers to purchase cars from RWNWCP. For example, consumers were told that their cars could not be returned because they had been sold while the customers were negotiating for the purchase of other cars from RWNWCP when in fact the consumers' cars had not been sold.

62. The conduct described above in paragraphs 60 and 61, with relation to trade-ins is unfair and deceptive.

63. The following are specific consumer witnesses whose transactions on or after 14 May 1970

involved conduct relating to trade ins as described above in paragraphs 60 and 61: Knerr, Elder, Smith, Kelly.

I. **Insurance—Eighth Cause of Action**

64. Numerous customers of RWNWCP were either told or otherwise led to believe that credit life and/or disability insurance was required or was a necessary part of any credit purchase of a car at the dealership, when such was not the case.

65. Such insurance was routinely included in customers' retail installment contracts as an additional cost of purchasing cars from RWNWCP.

66. On numerous occasions customers of the dealership were sold more than one, individual credit life and/or disability policy on a single indebtedness; that is, individual credit insurance policies were sold to the principal obligor on a car purchase contract as well as to one or more persons related in some way to the purchaser-principal obligor.

67. Although joint credit life policies were available to defendants from 1 October 1969, no such policies were sold by defendants to customers of RWNWCP. The cost of a joint credit life policy covering two joint insured on the same indebtedness is equal to one and one-half times the cost of one individual credit life policy.

68. The acts and practices relating to credit insurance which are described above in paragraphs 64 and 65 are unfair and deceptive.

69. The following are specific consumer witnesses

whose transactions on or after 14 May 1970 involved acts and practices relating to credit insurance as described in paragraphs 64 and 65 above: Amdal, \Backus, Chambers, Smithey, Aquiningoc, Zurn, Briggs, Ausley, Hamlet, Ecklund, Mingo, Kelly, and Grogan.

J. **Credit Practices—Ninth Cause of Action**

70. Salesmen and representatives of defendant corporations represented to some consumers, directly and by implication, that their payments for cars purchased at RWNWCP would involve one particular down payment and/or one particular monthly payment when in fact the financing arranged by the salesmen and representatives as a result of various misrepresentations by these agents, involved additional or side loans from small loan companies or other lending institutions, which loans involved additional payments, interest and collateral.

71. In such instances, there was no adequate disclosure to the respective consumers of the ultimate terms involved in the purchase transactions. Further, consumers often had no opportunity to actually read or examine the contracts involved or understand their terms. In certain such instances consumers became obligated to such payments, including side loan payments, under duress by salesmen and representatives of defendant corporations.

72. The acts and practices described above in paragraphs 70 and 71 relating to credit or financing are unfair and deceptive.

73. The transactions of the following consumer witnesses, on or after 14 May 1970 involved unfair and deceptive acts and practices relating to credit or financing as described above in paragraphs 70 and 71: Aquiningoc, Maine, Bielke, Crawford, Kelly, Chambers, Amdal, Mingo, Liden, Zurn, Grogan, and Smithey.

K. **Unconscionable Prices—Tenth Cause of Action**

74. Numerous consumers purchased cars from RWNWCP after being subjected to one or more of the acts and practices described above which were involved in the system of selling employed at RWNWCP, and thus entered into contracts for the purchase of cars in an atmosphere and under circumstances where there was no effective freedom to agree or disagree.

75. In a number of such instances consumers were charged prices which were unconscionable and unfair.

76. The following consumer witnesses whose transactions occurred on or after 14 May 1970 were charged prices, under such circumstances, which were unconscionable: Glander, Briggs, Amdal.

II.

CONCLUSIONS OF LAW

1. This Court has jurisdiction of the parties hereto and the subject of this action, and Plaintiff's Amended Complaint herein states claims upon which relief may be granted under RCW 19.86, RCW 63.14, and RCW 46.70.

2. Defendant RWNWCP is responsible for the acts and practices of its agents, employees and representatives as described in the Court's Findings.

3. Defendant RWI is responsible for the acts and practices of defendant RWNWCP.

4. Defendant RW is responsible for the acts and practices of defendant RWNWCP set forth in Findings of Fact 20 through 53.

5. Defendants and each of them have caused to be published, disseminated and displayed false, misleading and deceptive advertising in violation of RCW 19.86.020 and RCW 46.70.180.

6. Defendants' advertising, directly or by implication that they customarily sold cars at discount, for low prices and at prices lower than competing dealers when in fact defendants sold at higher prices than were available elsewhere was an unfair and deceptive practice and in violation of RCW 19.86.020 and constituted the dissemination of false, misleading and deceptive advertising in violation of RCW 46.70.180.

7. Defendants' advertising of specific cars at low prices with the express or implied representation that such prices were representative and illustrative of defendants' usual prices and range of prices when such was not the case, was an unfair and deceptive practice and in violation of RCW 19.86.020 and constituted the dissemination of false, misleading and deceptive advertising in violation of RCW 46.70.180.

8. Defendants' practice of bait or leader ad-

vertising as described in Findings of Fact 28 through 35 was an unfair and deceptive practice in violation of RCW 19.86.020, and constituted the dissemination of false, misleading and deceptive advertising in violation of RCW 19.86.020 and RCW 46.70.180.

9. Defendants' advertising, directly or by implication that consumers could purchase cars on easier credit terms at RWNWCP than at other dealers when such was not the case was an unfair and deceptive practice and in violation of RCW 19.86.020 and constituted the dissemination of false, misleading and deceptive advertising in violation of RCW 46.70.180.

10. Defendants' advertising of specific cars for very low down and/or monthly payments with the express or implied representation that such credit terms were representative or illustrative of defendants range of cars when in fact the non-advertised cars were not available on the advertised terms or on comparable terms was an unfair and deceptive practice and in violation of RCW 19.86.020 and constituted the dissemination of false, misleading and deceptive advertising in violation of RCW 46.70.180.

11. Defendants' advertising directly or by implication that warranties were available on cars purchased from defendants which warranties were not available to consumers in any meaningful manner was an unfair and deceptive practice and in violation of RCW 19.86.020 and constituted the dissemination

of false, misleading and deceptive advertising in violation of RCW 46.70.180.

12. Defendants' advertising, directly or by implication that they substantially reconditioned used cars and that cars purchased from defendants would be serviced or repaired properly when such was not the case was an unfair and deceptive practice and in violation of RCW 19.86.020 and constituted the dissemination of false, misleading and deceptive advertising in violation of RCW 46.70.180.

13. Defendants' failure to account to consumers for, or pay to consumers, profits made by defendants on the resale by defendants of repossessed vehicles was in violation of RCW 62A.9-504 and as such constituted an unfair and deceptive practice in violation of RCW 19.86.020.

14. Defendants' misleading and deceptive representations as to the prices and/or terms for which cars could be purchased from defendants, as described in Findings of Fact 54 through 59 was an unfair and deceptive practice in violation of RCW 19.86.020.

15. Defendants' charge of amounts for dealer preparation of a vehicle which exceeded the reasonable charges for preparation services actually performed was an unfair and deceptive practice and in violation of RCW 19.86.020.

16. Defendants' failure to make contracts available for inspection by consumers and/or to provide consumers with a meaningful opportunity to read

and understand their contracts was an unfair and deceptive practice and in violation of RCW 19.86.020.

17. Defendants' practice of tape recording statements or conversations with customers or potential customers in a manner which did not fairly represent the actual transactions and the incidents leading up to those transactions, and use of such tapes for the purpose of discouraging customer complaints, was an unfair and deceptive practice in violation of RCW 19.86.020.

18. Defendants' use of a series of salesmen in such a manner as to mislead and deceive as described in Findings of Fact 57(a) was an unfair and deceptive practice and in violation of RCW 19.86.020.

19. Defendants' failure to promptly return monies or properties received from consumers as trade-ins, deposits, or down payments to consumers in the event of the failure of a negotiated transaction to be consummated, or failing to promptly return any such monies or properties upon request by consumers prior to the consummation of a transaction was an unfair and deceptive practice and in violation of RCW 19.86.020 and constituted a violation of RCW 46.70.180.

20. Defendants' practice of taking or receiving a power of attorney or other document authorizing defendants or any of them to convey or to transfer the title of property of a consumer, prior to the consummation of a transaction with such consumer was

an unfair and deceptive practice and in violation of RCW 19.86.020.

21. Defendants' representations that credit insurance was required or a necessary part of a transaction with defendants when such was not the case was an unfair and deceptive practice and in violation of RCW 19.86.020.

[Paragraph 22 was stricken by Judge Soukup.]

23. Defendants' representations concerning the credit terms on which a vehicle could be purchased without disclosure of all payments which were required to be made to defendants or to any other person or firm in order to purchase the vehicle on such terms, was an unfair and deceptive practice and in violation of RCW 19.86.020.

24. In defendants' transactions with consumers involving conduct and representations concerning credit terms as described in Findings of Fact 70 and 71, defendants' failure to contain the entire agreement with such consumers in a single document as required by RCW 63.14.020, with complete disclosures as required by RCW 63.14.040 constituted violations of RCW 63.14 and unfair and deceptive acts or practices in violation of RCW 19.86.020.

25. The interest rate in transactions involving conduct and representations by defendants as described in Findings of Fact 70 and 71 was in excess of that allowed under RCW 63.14.130 and therefore these transactions were unfair and deceptive in violation of RCW 19.86.020.

26. The use of duress by defendants in transactions involving consumers was an unfair and deceptive practice in violation of RCW 19.86.020.

27. Defendants' charging of prices which were unconscionable constituted unfair and deceptive acts and practices in violation of RCW 19.86.020.

28. Defendants and each of them have engaged in the practices set forth in paragraphs 20 through 57 above.

29. Defendants RWI and RWNWCP have engaged in unfair and deceptive acts and practices in violation of RCW 19.86.020.

30. Defendants and each of them have engaged in unfair and deceptive acts and practices in violation of RCW 19.86.020.

31. Defendants and each of them have engaged in conduct in violation of RCW 46.70.180.

32. Defendants RWI and RWNWCP have engaged in conduct in violation of RCW 63.14.020, 63.14.040, and 63.14.130.

33. Defendants' unlawful acts, practices and conduct were engaged in intentionally and constitute willful violations of RCW 19.86.020 and RCW 46.70.180 and 63.14.020, 63.14.040, and 63.14.130.

34. Each violation of RCW 19.86.020 by each defendant herein occurring on or after 14 May 1970 is the basis for a civil penalty of not more than $2,000 per violation.

III.

JUDGMENT AND DECREE

In accordance with the Foregoing Findings of Fact and Conclusions of Law; final judgment having been entered as to defendant Robert Friedman in this action on 4 March 1974; and the Court having determined that there is no just reason for delay in entry of a final judgment as to all parties and issues in this action except those relating to procedures for, and final judgment of, restoration to all consumers who may have been harmed as a result of defendants' acts, unlawful practices and conduct, and the court having directed entry of a Judgment and Decree as contained herein to all other issues and parties;

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

A. The injunctive provisions of this Judgment and Decree which are applicable to the defendants shall apply also to their officers, agents, servants, representatives, and employees, and to all persons in active concert or participation with them who receive actual notice of said Judgment and Decree by personal service or otherwise. Defendants shall inform and advise all present and prospective officers, agents, servants, representatives, and employees, and all persons in active concert or participation with them, of the terms of this Judgment and Decree and shall instruct them to comply therewith.

B. Defendants and each of them are hereby en-

joined and restrained in the State of Washington from engaging in the following conduct:

1. Representing in any way, directly or by implication, in advertising or otherwise, that defendants customarily sell cars at discount, for low prices or at prices lower than competing dealers unless such is in fact the case.

2. Advertising specific cars at low prices with any express or implied representation that such prices are representative and illustrative of defendants' usual prices and range of prices when such is not the case.

3. Advertising cars which have body damage, extensive wear, excessive high mileage, or mechanical defects which are not disclosed or discernible in the advertising.

4. Disparaging in any way advertised cars in order to discourage purchase of the advertised cars by consumers.

5. Continuing to advertise cars after they have been sold.

6. Advertising any car when such ad does not in fact constitute a *bona fide* or sincere offer to sell the advertised car but rather is an alluring but insincere offer designed to attract consumers to defendants' dealership in order to switch consumers to the purchase of non-advertised cars at prices and on terms more advantageous to defendants.

7. Representing, directly or by implication, in advertising or otherwise, that consumers can purchase cars on easier credit terms from defendants than from other dealers when such is not the case.

8. Advertising, or otherwise offering for sale, specific cars for low down and/or monthly payments with the express or implied representation that such credit terms are representative or illustrative of defendants' range of cars unless such is in fact the case.

9. Advertising directly or by implication that warranties are available on cars purchased from defendants unless said warranties are available to consumers in a meaningful manner in the regular course of defendants' business.

10. Advertising, directly or by implication that defendants substantially recondition used cars or that cars purchased from defendants will be serviced or repaired promptly or properly when such is not the case.

11. Failing to account to consumers in accordance with the provisions of ch. 62A.9 RCW, for profits made by defendants on the resale by defendants of repossessed vehicles.

12. Making any representations, directly or by implication, that have the capacity or tendency to mislead or deceive consumers as to the prices and/or terms for which cars may be purchased from defendants.

13. Charging amounts for dealer preparation of a vehicle which exceed the reasonable charges for preparation services actually performed.

14. Failing to make contracts available for inspection by consumers and/or to provide consumers with a meaningful opportunity to read and understand their contracts prior to completion of each sale.

15. Tape recording statements or conversations with customers or potential customers in a manner which does not fairly represent the actual transactions and the incidents leading up to the transactions.

16. Using tapes of any portion of a consumer transaction in such a way as to discourage legitimate consumer complaints.

17. Using relay salesmanship in a manner having the capacity or tendency to mislead or deceive consumers.

18. Failing to promptly return monies or properties received from consumers as trade-ins, deposits, or down payments to said consumers in the event of the failure of a negotiated transaction to be consummated; or failing to promptly return any such monies or properties upon request to consumers prior to the consummation of a transaction.

19. Taking or receiving a power of attorney or other document authorizing defendants or any of them to convey or to transfer the title of property of a consumer, prior to the consummation of a transaction with such consumer.

20. Making any representations, directly or by implication, having the capacity or tendency to convey the impression that credit insurance is required

or a necessary part of a transaction with defendants when such is not the case.

21. Making any representations directly or by implication, concerning the credit terms on which a vehicle can be purchased without disclosing all payments which must be made, to defendants or to any other person or firm in order to purchase the vehicle on such terms.

22. Using duress in any consumer transaction.

23. Charging unconscionable prices in consumer transactions.

24. Selling excessive or unnecessary credit life and disability insurance.

C. Defendants shall restore to consumers all monies or property acquired by means of the acts herein prohibited or declared to be unlawful. The manner of such restoration shall be in accordance such additional orders or judgments as the court deems necessary and issues pursuant to further proceedings, to accomplish said purpose.

D. Nothing in this Judgment and Decree shall be construed to prevent any consumer from pursuing any other available remedies.

E. Pursuant to RCW 19.86.080, plaintiff State of Washington shall recover, and defendants shall pay the costs, including a reasonable attorney's fee, incurred by the plaintiff in pursuing this action in the amount of $389,258.20.

F. Pursuant to RCW 19.86.140, each defendant

shall pay, and plaintiff shall recover, a civil penalty assessed as follows:

1. Against defendant Ralph Williams:

a. $2,000 for each violation of RCW 19.86.020 occurring on or after 14 May 1970 as set forth in Findings of Fact 27, 35, 42, and 48, or a total of $256,000.

b. $500 for each violation of RCW 19.86.020 occurring on or after 14 May 1970 as set forth in Finding of Fact 53, or a total of $23,000.

2. Against defendant Ralph Williams, Inc.:

a. $2,000 for each violation of RCW 19.86.020 occurring on or after 14 May 1970 as set forth in Findings of Fact 27, 35, 42, and 48, or a total of $256,000.

b. $500 for each violation of RCW 19.86.020 occurring on or after 14 May 1970 as set forth in Finding of Fact 53, or a total of $23,000.

3. Against defendant Ralph Williams' North West Chrysler Plymouth, Inc.:

a. $2,000 for each violation of RCW 19.86.020 occurring on or after 14 May 1970 as set forth in Findings of Fact 27, 35, 42, and 48, or a total of $256,000.

b. $500 for each violation of RCW 19.86.020 occurring on or after 14 May 1970 as set forth in Finding of Fact 53, or a total of $23,000.

G. Pursuant to RCW 19.86.140, defendants Ralph Williams, Inc. and Ralph Williams' North West Chrysler Plymouth, Inc., shall pay, and plaintiff

shall recover an additional civil penalty assessed as follows:

1. Against defendant Ralph Williams, Inc., a penalty of $250 for each violation of RCW 19.86.020 occurring on or after 14 May 1970 as set forth in Findings of Fact 59, 63, 69, 73 and 76, or a total of $10,250.

2. Against defendant Ralph Williams' North West Chrysler Plymouth a penalty of $250 for each violation of RCW 19.86.020 occurring on or after 14 May 1970 as set forth in Findings of Fact 59, 63, 69, 73 and 76, or a total $10,250.

[Paragraph H was stricken by Judge Soukup.]

I. Jurisdiction is retained for the purpose of enabling either party to this Judgment and Decree to apply to the court at any time for the enforcement of compliance therewith, the punishment of violations thereof, or modification or clarification thereof.

J. This proceeding in all other respects is hereby dismissed and this Judgment and Decree is entered under the provisions of RCW 19.86.080.

DATED this 9th day of December, 1974.

/s/ DAVID W. SOUKUP
Judge

Presented by:

/s/ BARBARA J. ROTHSTEIN
THOMAS L. BOEDER
Assistant Attorneys General
Attorneys for Plaintiff

APPENDIX B.
ORDER TO SHOW CAUSE WHY DEFENDANTS SHOULD NOT BE HELD IN CONTEMPT ISSUED BY KING COUNTY SUPERIOR COURT

In the Superior Court of the State of Washington for King County.

State of Washington, Plaintiff, vs. Ralph Williams' North West Chrysler Plymouth, Inc.; Ralph Williams, Inc.; Ralph Williams as President of Ralph Williams' North West Chrysler Plymouth, Inc., as President of Ralph Williams, Inc., and individually, Defendants. No. 729320.

ORDER TO SHOW CAUSE WHY DEFENDANTS SHOULD NOT BE HELD IN CONTEMPT

This matter having come on regularly before the undersigned Judge of the above-entitled court upon the motion of the plaintiff for an order to show cause why defendants should not be held in contempt, and the court having reviewed the said motion, the affidavit of Thomas L. Boeder, Assistant Attorney General in support thereof, and the records and files herein, and having heard argument of counsel; does now THEREFORE

ORDER, ADJUDGE AND DECREE that the defendants herein, Ralph Williams, Ralph Williams, Inc., and Ralph Williams' North West Chrysler Plymouth, Inc., and each of them, shall be, and are hereby directed to appear in this court in Room

W817, King County Court House, Seattle, Washington, before the Honorable David W. Soukup, Judge, at 10:00 a.m. or as soon thereafter as the matter may be heard on the 18th day of February, 1975, then and there to show cause, if any they may have, why they should not be held in contempt of court for failure to comply with the provisions of this court's order concerning restitution entered December 9, 1974.

DONE IN OPEN COURT this 20th day of January, 1975.

/s/ DAVID W. SOUKUP
Judge

Presented by:
BARBARA J. ROTHSTEIN
Assistant Attorney General
Attorney for plaintiff

APPENDIX C.
ORDER DIRECTING DEFENDANTS TO APPEAR FOR EXAMINATION AND TO PRODUCE DOCUMENTS ISSUED BY KING COUNTY SUPERIOR COURT

In the Superior Court of the State of Washington for King County.

State of Washington, Plaintiff, vs. Ralph Williams' North West Chrysler Plymouth, Inc.; Ralph Williams, Inc.; Ralph Williams as President of Ralph Williams' North West Chrysler Plymouth, Inc., as President of Ralph Williams, Inc., and individually, Defendants. No. 729320.

ORDER DIRECTING DEFENDANTS TO APPEAR FOR EXAMINATION AND TO PRODUCE DOCUMENTS

THIS MATTER coming on to be heard upon plaintiff's motion and affidavit herein for an order directing defendant Ralph Williams individually and on behalf of defendants Ralph Williams, Inc., and Ralph Williams North West Chrysler Plymouth, Inc., to appear in this court for examination as to its property and for production of certain of its documents; and the court being satisfied from the motion and affidavit and the files and records of this court that judgment was entered on December 9, 1974 against said defendants, and that this judgment remains wholly unsatisfied;

NOW, THEREFORE, IT IS ORDERED that defendant Ralph Williams appear at 10:00 a.m. on the 18th

day of February, 1975, in the courtroom of the Honorable David Soukup, King County Courthouse, Seattle, Washington, and under oath answer concerning any property which the above-named defendants may have in their possession or under their control or in which they may have an interest which could be subjected to the satisfaction of the aforementioned judgments.

IT IS FURTHER ORDERED that defendant Ralph Williams produce at the aforementioned time and place the following documents:

1. Documents indicating his current financial condition including, but not limited to financial and/or income statements;

2. Documents indicating the amount and status of his current assets, including but not limited to:

a. documents indicating the amount, location, depository, account numbers, and any other relevant information relating to his cash position (including but not limited to, ledgers, passbooks, bank statements, certificates of deposit);

b. documents and any other relevant information relating to securities owned by him (including but not limited to, ledgers and supporting schedules);

c. documents indicating the name and address, amount, due date, nature of obligation, and any other relevant information relating to any indebtedness or receivable due him;

d. documents indicating the nature of, valua-

tion, location and any other information concerning his personal property;

e. documents indicating the nature and amount of any insurance policies on his life or property;

f. documents indicating the legal description, address, value, and any other relevant information relating to real property in which he has an interest.

3. Documents indicating the collateral, amount of obligation, obligee, due date, type of security interest, and any other relevant information relating to any obligation of his which is secured by any type of security interest (including but not limited to, mortgages, chattel mortgages, deeds of trust, liens) in any of his assets.

4. A copy of each federal tax return including all schedules filed by him in the years 1973 and 1974.

IT IS FURTHER ORDERED that each of said corporate defendants produce at the aforementioned time and place the following documents:

1. Documents indicating the current financial condition of the corporation including but not limited to financial statements, balance sheets, and income statements.

2. Documents indicating the amount and status of the current assets of the corporation, including but not limited to:

a. documents indicating the amount, location, depository, account numbers, and any other relevant information relating to the corporation's cash (including but not limited to ledgers, bank statements and certificates of deposit);

b. documents indicating the description, location, market value, and any other relevant information relating to the corporation's marketable securities (including but not limited to ledgers and supporting schedules);

c. documents indicating the name and address of the account debtor, amount, and any other relevant information relating to the corporation's accounts receivable (including but not limited to ledgers and runs);

d. documents indicating the name and address of the maker, amount, due date, and any other relevant information relating to the corporation's notes receivable including notes of directors, officers, employees, stockholders, and affiliates (including but not limited to ledgers nad supporting schedules);

e. documents indicating the description, status, value, location, and any other relevant information relating to the corporation's inventory (including but not limited to ledgers and schedules);

f. documents indicating the description, location, value, and any other relevant information relating to the corporation's other assets (including but not limited to unlisted securities, stocks, bonds, and prepaids).

3. Documents indicating the amount and status of the fixed assets of the corporation, including but not limited to ledgers and deeds indicating the legal

description, address, value, and any other relevant information relating to real property in which the corporation has an interest.

4. Documents indicating the collateral, amount of obligation, obligee, due date, type of security interest, and any other relevant information relating to any obligation of the corporation which is secured by any type of security interest in an asset of the corporation (including but not limited to mortgages, chattel mortgages, deeds of trust, or liens).

5. A copy of each federal income tax return, including all schedules, filed or prepared by or for the corporation for the years 1970, 1971, 1972, 1973, 1974.

DONE IN OPEN COURT this 20th day of January, 1975.

/s/ DAVID W. SOUKUP
Judge

Presented by:
BARBARA J. ROTHSTEIN
Assistant Attorney General
Attorneys for Plaintiff